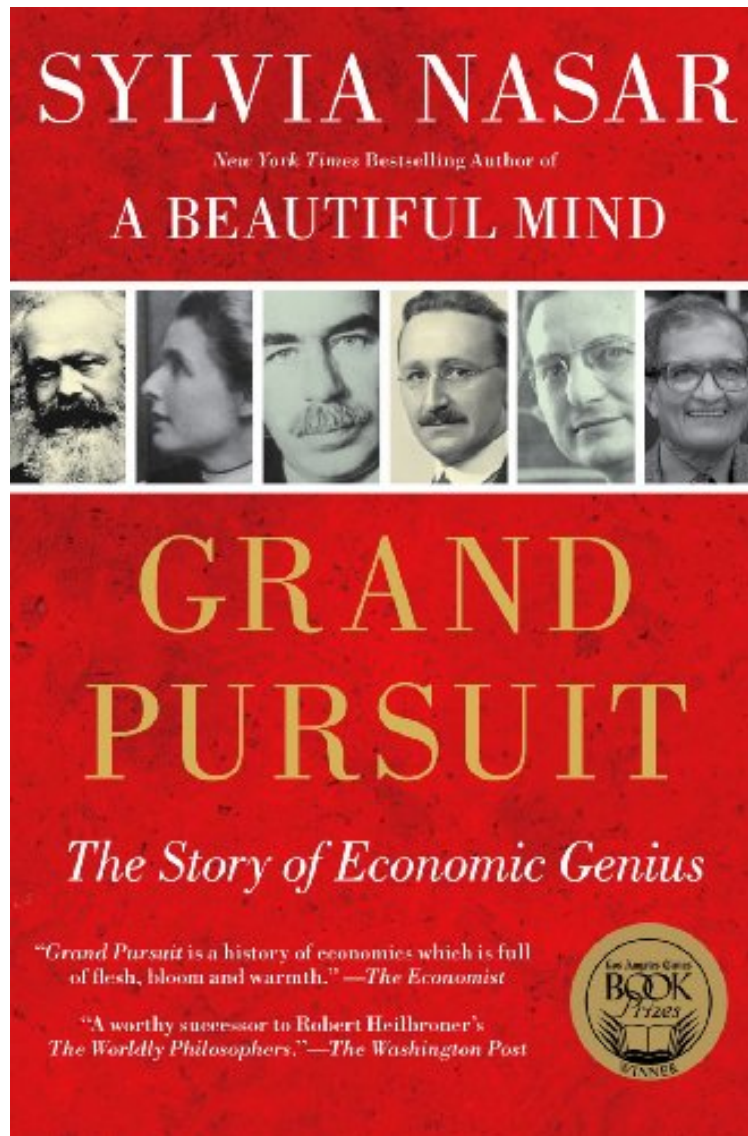


Grand Pursuit: The Story of Economic Genius

Sylvia Nasar

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Sylvia Nasar : Grand Pursuit: The Story of Economic Genius before purchasing it in order to gage whether or not it would be worth my time, and all praised Grand Pursuit: The Story of Economic Genius:

11 of 11 people found the following review helpful. Extremely interesting, but focuses more on the society around economic evolution than the economicsBy GDRBy opening the tale of economics with Charles Dickens, Prof. Nassar immediately sets the tone of this unorthodox history. Indeed, Charles Dickens, who most of us do not think is an economist, replaces Adam Smith, widely considered the first economist. Rather than stick merely to the economic theories, this book explores the environment in which those theories grew as well as how personal events shaped the

economists. For instance, Sen was greatly affected by witnessing the famines of India as a child and Schumpeter by the suffering in Austria post WWI. For Irving Fisher, his own bout with tuberculosis transformed him into fanatical personal health advocate. I was further surprised by how often the works on socialism were written by people (Webb, Marx, Engels) who really had little common background with the common worker. Webb spent a mere 3 days attempting to live the common life (instead of her advertised 3 weeks) while Marx, the father of Communism, never bothered to visit factories despite being in the heart of the industrial revolution. Marx, perhaps unjustifiably, is portrayed as a bum constantly living on someone else's dime. While these moments are relevant to explain (or question) a person's views, Sylvia spends a significant amount of effort describing the various affairs / love conquests of Schumpeter, Robinson, and Keynes. I can understand that this gossip gives a sense of their personalities, but I think these moments are far less interesting and informative. While this storytelling style offers insight, it unfortunately can be very confusing since a lot of names are introduced to the reader. If you are not already familiar with the major economic players and vaguely what they are known for it is very easy to get lost. Also Prof. Nassar has a bad habit of sometimes introducing a person without giving you their names. Two examples of this are the first mention of Hayek and Bela Kun. The first time Hayek is mentioned is in relation to his grandmother; my reaction to his name was "well, if I didn't know Hayek would be talked about later I would be confused why emphasis was placed on his name." Bela Kun is introduced without a name and then you are expected to make the connection when all of a sudden this guy named Bela Kun is discussed at length. I had to google him to make sure I was right about his identity. However, often these side tangents to minor players such as Dr. Harvey Kellogg and Herbert George Wells add cultural insight and are entertaining. If you are unwilling to cope with a lot of characters, then you will dislike the writing style. The book is organized into three main Acts: Hope, Fear, and Confidence. This choice is succinct and emphasizes the evolution of thought. The first section, Hope, is all about how economics developed as the hope to improve daily life. This feeling is a sharp contrast to the dismal conditions of Malthus. The second, Fear, is strongly tied to the disaster caused by the First World War. Many economists believed this war could not happen due to the interconnectedness of the economies. War was viewed as economic suicide. The war and the following depressions created a fear that life couldn't / wouldn't get better. The last section, Confidence, is about how we finally felt like we knew what we were doing with the economy post WWII. Economists had confidence that they could eliminate great depressions. This conclusion, however, may be more debatable given the current economic events since 2009. Since familiarity with the economists greatly enhances the readability of the text, a list of the major players is given below with a brief statement about their views/ contributions. These statements are purely based on my understanding from the text. Even though they are placed in the act they are introduced, many of them span several acts and are entangled with each other.

Act I: Hope

K. Marx (German): Father of Communism. No means existed to convert production increases into higher wages and living standards.

A. Marshall (English): Productivity. As opposed to the views of Malthus where humanity would forever be trapped in poverty, the cure to economic woes and higher living standards was to increase productivity.

B. Webb (English): Government safety net. Destitution is preventable in a population and public services (like education) are overall beneficial for the economy despite taxation to pay for it.

I. Fischer (American): Everything is interconnected in the economy and money greatly affects the real economy. He is perhaps best known in American history texts as an opponent of William Jennings Bryant and "the cross of gold."

Act II: Fear

J. Schumpeter (Austrian): Austrian finance minister tasked with fixing the economy post WWI. Unlike the traditional economic viewpoint that a nation's economic health depended on its resources, he believed what matters was what a country did with what it had. Innovation, entrepreneurs, and credit are necessary to drive progress.

F. Hayek (Austrian): Anti-Communist. He is perhaps best known for his book "The Road to Serfdom." This piece was an attack on the Soviet system and a defense of free markets. He believed that central planning was incompatible with freedom.

M. Keynes (English): Arguably the best known name in economics. Instability, not inequality, was the greatest threat to capitalism. While the traditional cure to stabilizing the economy was balancing the books to restore investor confidence, he believed the real solution was easier money. This approach avoided the liquidity trap and got money to those who could spend it: the government needed to be prepared to be the spender of last resort. His theories were the rational behind FDR's New Deal.

J. Robinson (English): Communist. The free market economy would tend to long-run unemployment, excess industrial capacity, and stagnation. Supposedly, she had a huge disdain for mathematics. I do not understand how this is possible for an economist.

M. Friedman (American): Permanent income hypothesis. During WWII, he constructed a huge database of consumers and their purchases. This put him in a unique position to analyze spending patterns. He believed taxation could be used to stabilize the economy.

Act III: Confidence

P. Samuelson (American): Unemployment. He emphasized the importance of preventing unemployment, particularly after the demobilization of WWII.

A. Sen (Indian): Freedom. The expansion of freedom is viewed both as the primary end and the principal means of development. The text is full of pure facts; Prof. Nassar stays away from any topic where there is not a clear-cut conclusion and she would need to offer her opinion. For instance, she goes into great depth describing the economic fallout following WWI. No one will dispute this mistake since it led to another world war. However often she hints at more modern economic results, but does not go into what they are. Milton Friedman, for instance, is described as the future father of Reagan-era tax cuts (in opposition to his earlier positions), but this story is not explained further

because the jury is still out on whether or not these tax cuts were a good idea. The one exception is that the author clearly believes the Soviet model of communism is a mistake (many western economists will not dispute this, but communists may disagree). Specifically, "China's remarkable leap in modernity left the Soviet Union in the dust and finally discredited the Soviet economic model." I wish the text included more modern economics (post - 1970s) and further explained such statements. Overall the text is extremely well written and engaging as expected of a professor of journalism. The book is full of good references to historical texts (e.g. *The Economic Consequences of Peace*) as well as many solid one-liners. The main reason for reading this book is summed up in the epilogue: "economic intelligence was far more critical to success than territory, population, natural resources, or even technological leadership. Ideas matter." I don't entirely agree with this statement, but economic theory is nonetheless an important determinant for society. Furthermore, it is shown what has been done and whether or not it worked. These statements are particularly relevant to price controls, which surprisingly larger numbers of countries are still trapped in. This text should be required for all politicians and leaders. Having looked at other reviews here, I noticed many recommend "The Worldly Philosophers" over this book. I'm currently in the process of reading that and it appears that book is a better reference for understanding the economics. However, I prefer to think that the books compliment rather than subtract from each other. 2 of 2 people found the following review helpful. Fascinating and Stimulating By Byron The Grand Pursuit is engrossing and for me very stimulating. After reading the reviews, I was prepared to be disappointed that the book does not cover the details of evolving economic doctrine. But what a surprise. I am not an economist. As an undergraduate 45 years ago, I planned to devote my life to the economic history of the Roman Empire and took many courses in Latin, Greek, economics, and mathematics. Instead, I went into law and am now a retired lawyer. Throughout my life, I have read many economic works merely as a pastime, including the Skidelsky's new biography of Keynes, Milton Friedman's joint autobiography, assorted works of Schumpeter, Joan Robinson, Hayek, and Paul Samuelson. So there wasn't much in the Grand Pursuit that was totally new. But what was new was putting this all together in a continuous narrative that shows interrelationships that I never suspected. Ms. Nasar writes extremely well, and I found the entire book engrossing. It also has stimulated me to read or reread quite a few books. I have now reread Keynes's *Economic Consequences* and am halfway through the *General Theory*. Next I'm going to reread one of Schumpeter's books, and then I will tackle some of the works of Leacock; on Walras, beginning with *L'Économie politique et la justice* (heavily as it is cheap on Kindle, but only in French!). The Grand Pursuit provided me with just kind of reading experience I enjoy. A very good book. 1 of 1 people found the following review helpful. Economics Isn't All Bad, and This is a Good Read By Anne Mills This book is to economic theory as "Lives of the Great Composers" is to music, but it is still a very good read. The book is billed as an exploration of economic thought since the mid-nineteenth century. Rather than thought per se, however, the book focusses on the people who thought the thoughts, and the times in which they lived. The book is a welcome reminder that economic thought isn't wholly irrelevant. Since 2008, the reputation of economics as a serious discipline has taken a beating. This reflects the failure of most economists to forecast the financial collapse and the enthusiastic collaboration of some as proponents of the policies and practices that led to that collapse. But Ms. Nadler's book reminds us that economics is indeed a serious enquiry into a key question -- assuming that people's material condition has some bearing on their welfare, how can life be made better for humanity as a whole? In examining that question, economics contributes much beyond short-term forecasting. Moreover, the book argues convincingly that economics as a discipline made some real contributions to bettering the human condition, for example by helping policy makers in 1945-47 avoid the mistakes of 1918. Beyond addressing the broad issue of the worth of economics as a discipline, this is a great read. I probably find it more interesting than most, since I am a retired economist, and studied the theories of most of the people she discusses. But she turns the discussion from pure theory (which can bore even retired economists) to a fascinating story about the evolution of the discipline, and to many fascinating stories about some very interesting people. This book is a worthy successor to Robert Heilbroner's "The Worldly Philosophers". The strongest impression I took away from this book wasn't about economic theory, but about economic fact. For 10,000 years, most people spent their lives in misery, caught in the Malthusian trap of limited resources and population pressure. Over the last 200 years, however, most of humanity has escaped the Malthusian trap. Ms. Nadler points out that the average Chinese now lives better than the average English person did in 1950, while her book demonstrates over and over again that the average English person lived many times better in 1950 than they did in 1840. This isn't new news, and it doesn't mean that this is the best of all possible worlds -- far from it. It is, however, a good reminder that our world is a long way from the worst.

In a sweeping narrative, the author of the megabestseller *A Beautiful Mind* takes us on a journey through modern history with the men and women who changed the lives of every single person on the planet. It's the epic story of the making of modern economics, and of how economics rescued mankind from squalor and deprivation by placing its material fate in its own hands rather than in Fate. Nasar's account begins with Charles Dickens and Henry Mayhew observing and publishing the condition of the poor majority in mid-nineteenth-century London, the richest and most glittering place in the world. This was a new pursuit. She describes the often heroic efforts of Marx, Engels,

Alfred Marshall, Beatrice and Sydney Webb, and the American Irving Fisher to put those insights into action—with revolutionary consequences for the world. From the great John Maynard Keynes to Schumpeter, Hayek, Keynes's disciple Joan Robinson, the influential American economists Paul Samuelson and Milton Friedman, and India's Nobel Prize winner Amartya Sen, she shows how the insights of these activist thinkers transformed the world—from one city, London, to the developed nations in Europe and America, and now to the entire planet. In Nasr's dramatic narrative of these discoverers we witness men and women responding to personal crises, world wars, revolutions, economic upheavals, and each other's ideas to turn back Malthus and transform the dismal science into a triumph over mankind's hitherto age-old destiny of misery and early death. This idea, unimaginable less than 200 years ago, is a story of trial and error, but ultimately transcendent, as it is rendered here in a stunning and moving narrative.